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Heating Fuel Prices Prompting Examination of Alternatives

Augusta, Maine – The Governor’s Office of Energy Independence and Security (OEIS) conducted its weekly heating fuel price survey on Monday, January 23, 2012 and found that the current statewide average cash price for No. 2 heating oil to be **\$3.70 per gallon**, with no change from last week.

“Two items caught our attention this week related to heating oil. First, the Energy Information Administration reported that since 2001, U.S. distillate fuel yields (a category that includes both diesel and heating oil) have been trending upward with a corresponding increase in U.S. distillate exports. One reason for the rise in exports is the surge in foreign diesel demand, which has helped prop up heating oil prices. Second, the New York Times ran an article over the weekend explaining that high heating oil prices have driven consumers to seek alternatives, including wood and natural gas.
http://www.nytimes.com/2012/01/22/business/heating-oil-costs-surge-and-many-in-northeast-cant-switch.html?_r=1&ref=dianecardwell. The accompanying U.S. map dramatically shows Maine’s high percentage of homes using heating oil as their primary fuel compared to the rest of the country.
<http://www.nytimes.com/interactive/2012/01/22/business/energy-environment/high-heating-oil-costs-hurt-more-in-northeast.html?ref=business>). Using this week’s average heating oil price and converting to a common heating unit value (million Btu) the price of fuel oil is at \$26.68. This compares with an equivalent heating unit value for natural gas of \$15.70 (at \$1.57/therm); propane, \$34.71 (at \$3.17/gallon); wood pellets, \$14.30 (at \$236/ton); and cord wood, \$10.50 (at \$210/cord). OEIS has a calculator on its web site that allows consumers to estimate home heating costs and price impacts of various energy sources. http://www.maine.gov/oeis/docs/heatcalculatorMEv3_1.xls.

As of January 23, 2012

Heating Oil	Statewide	Southwest	Central	Eastern	Western	Northern
Average	3.70	3.63	3.77	3.73	3.59	3.83
High	4.01	3.75	4.01	3.85	3.75	3.85
Low	3.47	3.48	3.59	3.59	3.47	3.80
Kerosene	4.10	4.05	4.15	4.13	3.97	4.23
Propane	3.17					

It is important to note that the price for heating oil is a statewide average and that prices in a given geographic region of the state may be considerably higher or lower than the statewide average. Within the OEIS sample, the lowest actual heating oil price of \$3.47 per gallon can be found in the Western region. The highest price of \$4.01 per gallon was found in the Central region. The statewide kerosene price average is \$4.10 per gallon at this time. The statewide average for propane ***based on a use of 925 gallons a year*** is \$3.17 per gallon. The table above provides current Maine cash prices in dollars rounded to the nearest penny. On January 23, the price of WTI crude oil, a major driver of refined petroleum product

prices, including heating oil, was at \$98.97 per barrel. Efficiency Maine links Maine homeowners and businesses with qualified, certified contractors who provide access to energy improvement options. For program details call 866-376-2463 or visit www.energymaine.com.